



DEPARTMENT OF THE AIR FORCE

ARLINGTON, VA 22202-3258

FEB 06 2012

Office Of The Deputy General Counsel

MEMORANDUM IN SUPPORT OF THE PROPOSED DEBARMENTS OF:

BOOZ ALLEN HAMILTON INC.,

***** **Only the San Antonio branch located at 700 N. Saint Marys Street,
Suite 700, San Antonio, Texas 78205 (D&B No. 07-736-3906)**

DAVID HENDERSON

STEVE PARK

PAUL BACA a/k/a

PABLO BACA

GARY TRICHE

Effective this date, the Air Force has proposed the debarment of Booz Allen Hamilton Inc., located at 700 N. Saint Marys Street, Suite 700, San Antonio, Texas 78205, D&B No. 07-736-3906 (hereinafter BAH San Antonio), David Henderson (Mr. Henderson), Steve Park (Mr. Park), Paul Baca a/k/a Pablo Baca (Mr. Baca), and Gary Triche (Mr. Triche) (individuals are collectively referred to as Subjects) from Government contracting and from directly or indirectly receiving the benefits of federal assistance programs. This action is initiated pursuant to Federal Acquisition Regulation (FAR) Subpart 9.4.

INFORMATION IN THE RECORD

Information in the record establishes by a preponderance of the evidence that at all times relevant hereto:

Background

1. BAH San Antonio is a government contractor located in San Antonio, Texas and is a branch office of Booz Allen Hamilton Inc. (BAH), which is headquartered in McLean, Virginia.
2. Booz Allen Hamilton Holding Corporation is the parent company of each branch office and the headquarters office.
3. On April 4, 2011, BAH San Antonio hired Mr. Joselito Meneses (Mr. Meneses) as a Senior Associate, where he was responsible for business development in the regional military and civilian health markets and was in charge of all Air Force medical accounts.
4. Mr. Meneses formerly served in the Air Force as a Lieutenant Colonel, and from July 2006 until his retirement in May 2008, Mr. Meneses held the position of Deputy Chief, Information Technology Division, Office of the Surgeon General, Air Force Medical Support Agency, at Brooks Air Force Base, Texas.

5. As Deputy Chief, the Air Force entrusted Mr. Meneses with non-public information, including information that could be categorized as source selection information and/or bid or proposal information.
6. Upon retiring from the Air Force, Mr. Meneses retained non-public information obtained during his Air Force service.
7. From April 4, 2011, to April 8, 2011, Mr. Meneses attended orientation training at BAH's headquarters in Mclean, VA, where he was trained on several topics, including the company-wide ethics program.
8. On April 11, 2011, Mr. Meneses attended orientation at BAH San Antonio, the branch where he was hired to work and was introduced to Mr. Henderson, Mr. Park, Mr. Baca, and Mr. Triche.
9. Mr. Henderson was Mr. Meneses' career manager, supervisor, and a Principal at BAH San Antonio.
10. Mr. Park was Mr. Meneses' work manager and a Principal at BAH San Antonio.
11. Mr. Baca and Mr. Triche are Lead Associates at BAH San Antonio.

Improper Conduct

12. On April 12, 2011, on his first day of work at BAH San Antonio, Mr. Meneses brought with him an external harddrive, which contained non-public information he obtained during his Air Force employment.
13. At 9:28 a.m., just shortly after arriving to work, Mr. Meneses sent Subjects an e-mail entitled "MSIM: FA7014-06-D-0017 – ITEM.pdf" and stated, "FYI Here's the *complete award info on MSIM....*" (Emphasis added).
14. Specifically, Mr. Meneses disclosed a copy of Air Force Contract No. FA7014-06-D-0017, which he obtained during his Air Force service and which was awarded by the Air Force to Company K¹ on August 25, 2006, to provide Information Technology Modernization Services (ITM Services Contract) with a total ceiling amount of \$75 million.
15. The ITM Services Contract contained non-public information, including Contract Line Item Number (CLIN) pricing data, the labor mix to perform the ITM Services, and the associated labor rates by labor category.
16. Such non-public information is considered contractor bid or proposal information and source selection information; information prohibited from disclosure under the restrictions implementing the Procurement Integrity Act.

¹ Company K refers to a company that is not a party to this action.

17. At the time of the improper disclosure, BAH San Antonio was planning to compete for the ITM Services follow-on contract and, thus, such non-public information provided by Mr. Meneses would provide BAH San Antonio with an unfair competitive advantage.

18. Upon receipt of Mr. Meneses' correspondence, none of the Subjects instructed or informed Mr. Meneses that his disclosure was improper.

19. Mr. Henderson, approximately 11 minutes later, forwarded Mr. Meneses' e-mail to four other individuals, and responded, "Thanks for sharing... I did a quick look... believe this tracks with the baseline pricing info we have on NCI."

20. Mr. Henderson also sent Mr. Meneses an e-mail entitled "Latest MSIM Deck," which attached slides entitled "AFMSA MSIM Capture Update" containing "Incumbent's As Is Pricing," which purported to set forth the incumbent's labor categories, labor rates, FTE hours, and annual costs.

21. Mr. Henderson ultimately assigned Mr. Meneses to be a member of BAH San Antonio "Capture / Proposal Team" as a Capture Lead.

22. Subjects failed to report this improper disclosure and continued to involve Mr. Meneses in BAH San Antonio's efforts to compete for the follow-on contract.

23. At some point between April 12 and April 27, one of the employees working in the company's pricing department, who received Mr. Henderson's e-mail forward, recognized the sensitive nature of the document disclosed by Mr. Meneses and reported the incident to the BAH headquarters' law department.

24. On May 27, 2011, approximately six weeks after Mr. Meneses' improper disclosure, BAH's law department issued a document hold and retention order to the employees involved.

25. On June 28, 2011, Mr. Meneses' was told that his employment was terminated, effective July 12, 2011.

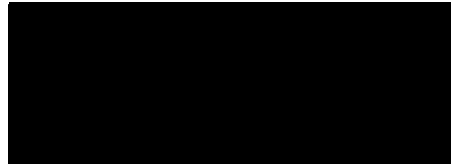
26. BAH San Antonio decided not to participate in the follow-on ITM Services Contract competition.

27. On September 30, 2011, the Air Force proposed for debarment Mr. Meneses.

28. The conduct described above raises serious concerns regarding Subjects' business integrity, business honesty, and compliance with government contracting requirements, and the adequacy of BAH San Antonio's ethics and compliance program, including the training provided to its personnel.

BASES FOR THE PROPOSED DEBARMENTS

1. The improper conduct of Subjects is of so serious or compelling a nature that it affects their present responsibility to be Government contractors or subcontractors and provides a separate independent basis for their debarments pursuant to FAR 9.406-2(c).
2. Pursuant to FAR 9.406-5(a), the seriously improper conduct of Subjects is imputed to BAH San Antonio because their improper conduct occurred in connection with the performance of their duties for or on behalf of BAH San Antonio, or with the knowledge, approval, or acquiescence of BAH San Antonio. The imputation of Subjects' conduct to BAH San Antonio provides a separate independent basis for the debarment of BAH San Antonio.
3. Pursuant to FAR 9.406-1(b), debarments may be extended to the affiliates of a contractor. Mr. Henderson, Mr. Park, and BAH San Antonio are affiliates, as defined at FAR 9.403 (Affiliates), because directly or indirectly, each one has the power to control the other or a third party has the power to control each of them. The affiliation of Mr. Henderson, Mr. Park, and BAH San Antonio provides a separate independent basis for the debarment of BAH San Antonio.



STEVEN A. SHAW
Deputy General Counsel
(Contractor Responsibility)



DEPARTMENT OF THE AIR FORCE

ARLINGTON, VA 22202-3258

Office of the Deputy General Counsel

VIA FEDERAL EXPRESS

SAF/GCR
1235 S. Clark Street
Suite 301
Arlington, VA 22202

FEB 06 2012

Booz Allen Hamilton Inc.

[REDACTED]
700 N. Saint Mary's St.
Ste 700
San Antonio, TX 78205

Re: Notice of Proposed Debarment

Ladies and Gentlemen:

You are hereby notified that the Air Force has proposed that Booz Allen Hamilton Inc. (DUNS No.: 07-736-3906), (hereinafter Company) be debarred from federal Government contracting and from directly or indirectly receiving the benefits of federal assistance programs. This action is initiated pursuant to the authority and the procedures contained in the Federal Acquisition Regulation (FAR) Subpart 9.4. Copies of FAR 9.4, Defense FAR Supplement 209.4 and Appendix H, and 2 C.F.R. Part 1125 are provided on our website at <http://www.safgc.hq.af.mil/organizations/gcr/index.asp>. 2 C.F.R. Part 1125 is the Defense Department's implementation of the Nonprocurement Common Rule referenced in FAR 9.401. If you do not have access to the Internet and wish to receive a hardcopy of the aforementioned regulations, please submit a written request to my counsel as designated below.

The proposed debarment is based upon the information in the attached Memorandum in Support of the Proposed Debarments (Encl. 1).

The proposed debarment is effective this day and has the following consequences during the period of proposed debarment:

1. The Company name will be published in the Excluded Parties List System, available at <https://www.epls.gov/>, a publication of the General Services Administration that contains the names of contractors debarred, suspended, proposed for debarment, or declared ineligible by any agency of the Federal Government. Proposed debarment is effective throughout the executive branch of the Federal Government and applies to procurement and nonprocurement programs.

2. Offers will not be solicited from, contracts will not be awarded to, existing contracts will not be renewed or otherwise extended for, and subcontracts requiring Government approval will not be approved for the Company by any agency in the executive branch of the Federal Government unless the head of the agency taking the contracting action or a designee states in writing the compelling reason for continued business dealings between the Company and the agency.

3. The Company may not conduct business with the Federal Government as an agent or representative of other contractors.

4. No Government contractor may award a subcontract equal to or in excess of \$30,000 to the Company unless there is a compelling reason to do so and the contractor first notifies the contracting officer and further complies with the provisions of FAR 9.405-2(b).

5. No agency in the executive branch shall enter into, renew, or extend primary or lower-tier covered transactions in which the Company is either a participant or principal, unless the head of the agency grants an exception in writing. (Covered transactions are defined at 2 C.F.R. Section 1125.30).

6. The Company may not act as an agent or representative of other participants in federal assistance programs.

7. The Company's affiliation with or relationship to any organization doing business with the Government will be carefully examined to determine the impact of those ties on the responsibility of that organization to be a Government contractor or to receive federal assistance.

Within 30 calendar days of the date of this notice, the Company may submit, either in person or in writing, or both, information and argument in opposition to the proposed debarment. If the Company provides a written response, an original and one hardcopy must be submitted and an electronic copy is appreciated. The Company is encouraged to Bates number its submission, including attachments thereto.

If the Company designates a representative to respond on its behalf, please notify my counsel in writing of the identity of the representative. The designation should specifically state the names and addresses of all individuals or companies the designee has the authority to represent in this matter.

The Company's submission, if any, should include any specific information that may raise a genuine dispute over material facts. If it is found that the information submitted raises a genuine dispute over material facts, fact-finding may be conducted to determine the disputed facts. Facts proved by conviction or civil judgment, however, are not subject to dispute in this proceeding.

This debarment proceeding has been initiated on the basis of an administrative record. A copy of the administrative record will be furnished upon request. Any written information submitted by the Company will be added to the administrative record.

The determination whether or not to debar the Company is discretionary and will be made on the basis of the administrative record, together with any written materials submitted for the record by the Government or the Company during the period of proposed debarment.

If debarment is imposed, the limitations described in Paragraphs 1 through 7 above will continue to apply and the Company's name will continue to be published in the Excluded Parties List System, available at: <https://www.epls.gov/>. The status, however, will be changed to reflect that the Company is debarred.

Any communications regarding this matter should be directed to my counsel: Todd J. Canni, SAF/GCR, 1235 S. Clark Street, Suite 301, Arlington, VA 22202, [REDACTED], and todd.canni@pentagon.af.mil.

Sincerely,

A large black rectangular redaction box covering the signature area.

STEVEN A. SHAW
Deputy General Counsel
(Contractor Responsibility)

Encl. 1
a/s